
From: Pennings, Edward [/O=STATE STREET/OU=EUROPE/CN=ROYAL EXCHANGE/CN=USERS AND GROUPS/CN=EPENNINGS]
Sent: Monday, March 22, 2010 1:46:45 PM
To: MCGroarty, Stephen P
Subject: Fw: Broker deal - FI - benchmark prices

Or more if we can get away with it!

From: Mooney, Benjamin A
To: Barnes, Ian R; Holden, Ian N; Rattigan, Laura; MCGroarty, Stephen P; Clemmenson, Thomas; Finocchi, Stephen J; Spyropoulos, Gregory J
Cc: Pennings, Edward; Boomgaardt, Rick
Sent: Mon Mar 22 11:05:43 2010
Subject: RE: Broker deal - FI - benchmark prices

Boston,

Please note the benchmarks on this file are what we showed the client, with 2 bps of comm built in. So, like Barney has stated here, your street-side benchmarks are these plus 2 bps.

Regards

Ben

From: Barnes, Ian R
Sent: 22 March 2010 10:43
To: Barnes, Ian R; Mooney, Benjamin A; Holden, Ian N; Rattigan, Laura; MCGroarty, Stephen P; Clemmenson, Thomas; Finocchi, Stephen J; Spyropoulos, Gregory J
Cc: Pennings, Edward; Boomgaardt, Rick
Subject: RE: Broker deal - FI - benchmark prices

Boston - here is your trade file (European trades removed)

☐
☐ << File: Final Salles_SSGA (3) final trading list USA.xls.zip >>

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From: Barnes, Ian R
Sent: 22 March 2010 10:39
To: Mooney, Benjamin A; Holden, Ian N; Rattigan, Laura; MCGroarty, Stephen P; Clemmenson, Thomas; Finocchi, Stephen J; Spyropoulos, Gregory J

Cc: Pennings, Edward; Boomgaardt, Rick
Subject: RE: Broker deal - FI - benchmark prices

Stephen, Ben. Ed, << File: pricing file.xls.zip >>

We just want to confirm the benchmark prices for these trades as the client instruction below is not absolutely clear to us. Please see attached European trades.

The benchmark prices provided in Ben's trade list are bid side closing prices from 17th March, and adjusted to include 2bps commission. We need to focus on the street side price for our trading. (Therefore, should we not be taking the market closing prices from 17th March as our benchmark prices with the street as commission will still need to be added?

Eg. Bradford & Bingley '16s....

17/3 closing price = 97.2358
Adjusted for 2bps comm = 97.14

Therefore our trading (street side) benchmark price should be 97.2358?

Are we correct in assuming that the 0.5% tolerance applies to the downside - therefore our new street side benchmark price is $(97.2358 * 0.995) = 96.75$. **We would not be allowed to trade with the street below this price** (The client price (with 2bps comm) would be 96.648)

For now, we will work to benchmark prices without using the 0.5% tolerance, as discussed. Please can you confirm you agree with this process.

thanks



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From: Mooney, Benjamin A
Sent: 22 March 2010 09:17
To: Holden, Ian N; Barnes, Ian R; Rattigan, Laura; McGroarty, Stephen P
Cc: Pennings, Edward; Boomgaardt, Rick
Subject: Broker deal - FI

Ian, Ian

Please find attached the list of bonds to be sold, split between DTC (to be traded by the US) and Clearstream (to be traded by Europe) . When selling please take into account the following guidelines and restrictions as per the conversation with Ed on Friday:

- o Trade only if you find sufficient liquidity and relatively tight spreads (if spread is over 200 bp – do not trade)
- o if price is over 0.5% away from the minimum trade price quoted on the sell file
- o you have the whole week to trade

- o on structured bonds in EUR – you might want to get in touch with Nordea in Copenhagen; again if very illiquid we might want to wait in selling them

Please check the pricing on the AXA issue. The client has commented that the price we quoted is nowhere near where the market is trading this security.

Kind regards

Ben << File: Final Salles_SSGA (3) final trading list EUROPE.xls.zip >> << File: Final Salles_SSGA (3) final trading list USA.xls.zip >>